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February 4, 2008

Joel H. Peck, Clerk
Document Control Center
State Corporation Commission
1300 E. Main Street, Tyler Bldg., 1st fl.
Richmond, VA 23219

Ex Parte: In the Matter of Establishing Rules and Regulations to implement the sale of electricity from renewable sources through a renewable energy portfolio standard program pursuant to § 56-585.2 of the Code of Virginia
Case No. PUE-2007-00107

Dear Mr. Peck:

Enclosed for filing in the above referenced case are an original and fifteen (15) copies of Comments of Virginia Electric and Power Company on Issues Related to Rules and Regulations Regarding Renewable Energy Portfolio Standard Programs.

Very truly yours,

Vishwa B. Link

VBL/car
enc.

cc C. Meade Browder, Jr.
M. Renae Carter

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

COMMONWEALTH OF VIRGINIA	)	
	)	
At the relation of the	)	
	)	
STATE CORPORATION COMMISSION	)	CASE NO. PUE-2007-00107
	)	
Ex Parte: In the matter of establishing rules	)	
and regulations to implement the sale of electricity	)	
from renewable sources through a renewable	)	
energy portfolio standard program pursuant	)	
to § 56-585.2 of the Code of Virginia	)	

COMMENTS OF VIRGINIA ELECTRIC AND POWER COMPANY ON ISSUES RELATED TO RULES AND REGULATIONS REGARDING RENEWABLE ENERGY PORTFOLIO STANDARD PROGRAMS

On December 3, 2007, the Virginia State Corporation Commission ("Commission") instituted the above-captioned proceeding to comply with the statutory requirements of Va. Code § 56-585.2, which requires the Commission to establish such rules and regulations as may be necessary to implement the provisions of that Code section. Prior to proposing such rules and regulations, the Commission first has sought comments on seven specific issues set forth in its December 3, 2007 Order Establishing Proceeding ("Order").

Virginia Electric and Power Company ("Dominion Virginia Power" or the "Company") hereby submits these comments in accordance with the Commission's Order. The Company will first offer general comments on potential rules and regulations for renewable energy portfolio standard ("RPS") programs, then offer comments specifically relating to each of the seven issues enumerated in the Commission's Order.

General Comments

The Company appreciates the opportunity provided by the Commission to comment on the implementation provisions surrounding the renewable energy portfolio standard program statute enacted in Va. Code § 56-585.2 ("RPS Program"). The Company is in the process of developing its plan to meet the goals set forth in the RPS Program, and believes that any certainty the Commission can provide in terms of filing requirements and procedures to streamline the process will encourage the Company and other investor-owned utilities (hereafter "utilities") to meet the RPS Goals set forth in the statute.[1]

The Commission should allow utilities maximum flexibility in their plans for meeting the statutory showing that the utility has a "reasonable expectation of achieving 12 percent of its base year electric energy sales from renewable energy sources during calendar year 2022." Va. Code § 56.585.2 B. That is, a utility should be free to use a combination of electrical energy from any eligible source and renewable energy certificates ("RECs"), in accordance with the provisions and limitations of § 56.585.2, in order to meet the stated RPS Goal for 2022. This same principle also should apply to a utility's compliance with the Incremental Goals in order to qualify for the Performance Incentive available under § 56-585.2 C. In either case, this flexibility is necessary to recognize the inherent unpredictability of availability of certain renewable sources and the need to minimize costs of compliance. In practice, this should mean that an application for approval of an RPS Program (defined below as the "Initial RPS Filing")

[1] Section 56.585.2 D of the Code of Virginia identifies a process of incremental goals consisting of 4% renewable by 2010, 7% renewable by 2016 (the "Incremental Goals"), and culminating in 12% renewable by 2022 (individually "RPS Goal" or collectively "RPS Goals").

should be sufficient to meet the "reasonable expectation" standard if it provides a menu of eligible sources reasonably expected to be available to the utility for the purpose of compliance. The applicant should not be expected to file, nor should the applicant be held to, a prescriptive, MW-by-MW prediction of exactly how it will achieve compliance for any given year or for the overall goal. Indeed, the statutory standard of "reasonable expectation of achieving" supports the need for such flexibility.

There will be three types of filings that the utilities could make under the RPS Program. First, the investor-owned incumbent utility may "apply to the Commission for approval to participate in a renewable energy portfolio standard program," as defined in § 56-585.2; and the Commission "shall approve such application if the applicant demonstrates that it has a reasonable expectation of achieving 12 percent of its base year electric energy sales from renewable energy sources during calendar year 2022, as provided in subsection D." Va. Code § 56-585.2 B. This initial RPS filing ("Initial RPS Filing") would set forth the utility's plan to meet the RPS program goals for 2022, and possibly the Incremental Goals set forth in the statute.

The utility also may qualify for a Performance Incentive "of 50 basis points whenever the utility attains an RPS Goal established in [Va. Code 56-585.2 D]." Va. Code § 56-585.2 C. This second type of filing ("Performance Incentive RPS Filing") would set forth how the utility has met the RPS Goals prescribed in § 56-585.2 D in order to receive the Performance Incentive.

The utility could also make a third kind of filing related to the right to

> recover all incremental costs incurred for the purpose of such participation in such [RPS Program], as accrued against income, through rate adjustment clauses as provided in subdivisions A 5 and A 6 of § 56-585.1,

> including, but not limited to, administrative costs, ancillary costs, capacity costs, costs of energy represented by certificates described in subsection A, and, in the case of construction of renewable energy generation facilities, allowance for funds used during construction until such time as an enhanced rate of return, as determined pursuant to subdivision A 6 of § 56-585.1, on construction work in progress is included in rates, projected construction work in progress, planning, development and construction costs, life-cycle costs, and costs of infrastructure associated therewith, plus an enhanced rate of return, as determined pursuant to subdivision A 6 of § 56-585.1.

Va. Code § 56-585.2 E. These filings ("Cost Recovery RPS Filings") may be made at any time after the expiration or termination of capped rates, but not more than once in any 12-month period, by petition to the Commission for cost recovery pursuant to § 56-585.1 A 5 or any time after the expiration or termination of capped rates for approval of a rate adjustment clause pursuant to § 56-585.1 A 6. The Company's specific comments will address the Initial RPS filing, Performance Incentive RPS Filing, and Cost Recovery RPS Filings, as appropriate, in relation to the issues posed by the Commission.

Specific Comments on Individual Issues

Issue 1: Should there be a standard package of data and information that utilities must file in order to demonstrate that they have achieved an RPS goal as those goals change through time as set forth in § 56-585.2 D? If so, what data and information should be provided to the Commission? In the alternative, should such applications be instead handled on a case-by-case basis?

Before the Company can adequately describe what follow-up information must be filed with the Commission to demonstrate achievement of an RPS goal, it is helpful to consider what the Commission already will have as a result of the Initial RPS Filing. With regard to the Initial RPS Filing, Dominion Virginia Power suggests that the utility be required to include the following:

- A historical calculation of "total electric energy sold in the base year" (the denominator of the renewable portfolio standard) for the utility;

- A projection of renewable energy that needs to be generated and sold to Virginia jurisdictional retail customers by the utility in each year from 2010 through 2022 to meet RPS Goals (the numerator of the renewable energy portfolio standard);

- A description of the projected sources of renewable energy and/or RECs a utility intends to draw upon to meet RPS Goals as follows:

    - For each existing renewable energy facility owned by the utility and for renewable energy purchased by the utility:
        - Name of the owned or contracted facility.
        - Location of the facility.
        - Renewable fuel used by the owned or contracted facility.
        - By facility, historic and/or projected generation for the years 2007-2022, as appropriate.
    - For renewable energy facilities owned by the utility that are under construction:
        - Name of the owned or contracted facility.
        - Location of the facility.
        - Projected start-up date.
        - Renewable fuel proposed for use by the owned or contracted facility.
        - By facility, projected generation for the years 2010-2022, as appropriate.
    - For renewable energy projects that are planned by the utility, a conceptual description of potential projects already identified and a description of efforts the utility plans to take to identify new projects.
    - For renewable energy and RECs that may be purchased over the RPS compliance period, a description of the amounts, sources and projected costs for such renewable energy or RECs.

- A request for any calculation the utility desires concerning an allocation of its portion of the 1.5 million tons per year of green wood chips, bark, sawdust, and a tree or any portion of a tree which is or can be used for lumber and pulp manufacturing by facilities located in Virginia, that may be used toward meeting RPS Goals;

- A calculation of projected renewable energy needs with projected renewable sources which demonstrates that RPS Goals will be met; and

- Information on the renewable source costs sufficient to meet the "reasonable cost" standard of § 56-585.2 F.

This will provide sufficient information for the Commission to determine whether the utility has met the "reasonable expectation of achieving" standard set forth in § 56-585.2 B.

With regard to the Performance Incentive RPS Filings in which a utility demonstrates that it has achieved one or more RPS Goals, Dominion Virginia Power suggests that the utility be required to include, for each historic year, a reconciliation of the renewable energy and/or RECs actually owned or purchased which it applied towards meeting the Incremental Goals for that particular year or years. As explained in detail in response to the Commission's Issue No. 2 below, this information should be provided administratively to the Commission Staff, rather than by formal application, for determination that the statutory RPS Goals have been met.

Issue 2: What special procedural rules, if any, should apply to proceedings regarding applications submitted pursuant to § 56-585.2 of the Code for award of incentives to utilities for RPS Goals attained?

Once the Initial RPS Filing has been approved, the procedure to review the utility's Performance Incentive RPS Filings should not require or constitute a new proceeding. Instead, the Commission Staff should perform an administrative review of the data submitted by the utility to demonstrate that it has met the RPS Goals, subject to the ability to petition the Commission to resolve any areas of disagreement. The Commission's order approving the utility's Initial RPS Filing can set forth the information, like that set forth by the Company in response to Issue No. 1 above, that the utility should file with the Commission Staff to allow the Staff to determine that the Company met the specific RPS Goal. The determination whether a utility has attained its

RPS Goals would require only a simple statutory mathematical calculation.[2] The review of this data should be a relatively straight-forward, expeditious and non-controversial process. The Commission Staff's administrative duties include many such reviews, including review of tariffs submitted to conform to a final rate case ruling, review of utility depreciation studies, approval of new service offerings and tariffs, review of transactions with affiliates, and the review of electric cooperatives' wholesale power cost adjustment clauses. Using such an administrative review of the Performance Incentive RPS Filings, as a continuation of the Initial RPS Filing, would expedite the process under the RPS Program.

Issue 3: What special procedural rules should apply to proceedings opened to establish and provide for recovery of all incremental costs incurred for the purpose of such participation in an RPS program?

Proceedings initiated pursuant to a Cost Recovery RPS Filing to establish and provide for recovery of incremental costs incurred for participating in RPS programs will take the form of rate adjustment clause proceedings, pursuant to Va. Code § 56-585.2 E, which in turn refers to Va. Code § 56-585.1 A 5 and A 6. Given the abbreviated eight-to-nine month time frame in which these cases must be decided, the Company recommends that the Commission, in its initial scheduling order in the proceeding, set forth expedited procedural rules for such rate adjustment clause proceedings. The initial order should include provisions for the filing and safeguarding of confidential information, rules for propounding and responding to discovery on an abbreviated schedule and any discovery

[2] *See* Va. Code § 56-585.2 D. Section 56-585.2 C states "[t]he Commission . . . shall increase the fair combined rate of return on common equity for each utility participating in such program by a single Performance Incentive, as defined in subdivision A 2 of § 56-585.1, of 50 basis points whenever the utility attains an RPS Goal established in subsection D." (Emphasis added.) The statute makes it clear that once the RPS Goal is attained, the Commission shall award the Performance Incentive.

limits the Commission sees fit to impose. In the event such cases are to be heard routinely by Hearing Examiners, the Company urges the Commission to establish expedited time limits for post-hearing briefs, the filing of the Hearing Examiner's report, and the filing of comments or objections to the Hearing Examiner's report.

Issue 4: Should a tracking system be required to ensure that renewable resource certificates are appropriately and accurately credited to renewable resource facilities? If so, how should such a tracking system be designed and what entity should maintain the tracking system?

Use of a tracking system should be required to ensure that renewable resource certificates are appropriately and accurately credited to renewable resource facilities. There is no need for creation of a new system, however.

PJM Interconnection, LLC ("PJM") is a regional transmission organization which coordinates the movement of wholesale electricity in all or parts of 13 states, including Virginia, and the District of Columbia. Most Virginia investor-owned incumbent electric utilities operate within PJM. PJM's subsidiary, PJM Environmental Information Services has developed the Generation Attribute Tracking System ("GATS"), which tracks environmental, emissions and fuel attributes and their ownership as the attributes are traded or used to meet government standards. The GATS computer database has been endorsed by a number of states in PJM, including Maryland, New Jersey, Pennsylvania, Delaware, and the Washington, DC area.

The GATS database contains information for each individual generation unit and creates generator-specific electronic certificates that identify the generation attributes necessary for electricity suppliers to satisfy state policies and to document claims made about "green" power. Data in the GATS include: megawatt-hours produced, emissions

data (primarily from the U.S. Environmental Protection Agency and supplemented from other sources), fuel source, location, state program qualification and ownership of attributes for each megawatt-hour tracked.

The GATS works as follows. The attributes or characteristics of the generation are recorded into the database as an electronic certificate as the electricity is produced. There is one certificate with a unique serial number identifying the attributes of the generation for each megawatt-hour produced. The certificates serve several purposes. For owners of generation, a certificate provides a means to sell or transfer the generation attributes to a wholesale buyer or a means to precisely measure the value to the retail consumer of particular attributes of each generation unit. For state agencies seeking effective ways to implement policies and regulations, certificates and a central database provide a means to monitor, verify and document compliance. The certificates provide an effective, efficient means for load serving entities to comply with attribute disclosure and portfolio standards and an efficient process for developing specific products for retail consumers with a high degree of certainty that their product claims can be verified.

More information about the GATS is available at http://www.pjm-eis.com/.

Issue 5: The Commission seeks comment as to whether there are programs or elements of programs adopted by other states that may be appropriate and comply with the provisions set forth in § 56-585.2.

In 2007, the North Carolina General Assembly passed Senate Bill 3, which established a mandatory Renewable and Efficiency Portfolio Standard ("REPS") for the state. For the last several months, Dominion has been actively participating in a North Carolina Utilities Commission ("NC Commission") proceeding (Docket No. E-100, Sub 113) that will establish the rules and regulations under which the REPS will be

implemented and administered. It is anticipated that the NC Commission will issue a final order adopting the REPS rules in the near future. In contrast to Virginia's voluntary RPS program, the NC REPS is mandatory and it also includes an optional energy efficiency compliance feature. Regardless of this distinction, the Virginia and North Carolina programs are very similar with respect to the renewable portfolio provisions, and the Company believes that the regulations needed to carry out the legislated requirements are comparable. The Company suggests that the final North Carolina REPS rules should be reviewed and considered for possible guidance in the Virginia RPS Program.

One positive element of the program in North Carolina, as well as other States with a RPS in place, is the requirement that renewable generators be registered with the State before allowing them to participate as a renewable generator. Such a system for registering facilities, not to be confused with the GATS discussed above, that wish to provide renewable energy and/or renewable energy certificates is an essential part of the administration of a renewable portfolio system. In the PJM states the REC issuer, the party that determines whether a facility is eligible to provide renewable energy into the State, is the State itself; this avoids the problem of the renewable generator also being the REC issuer. Virginia should develop a similar process under which the Commission approves a facility as eligible to sell renewable energy and/or RECs to meet the obligations of the Virginia RPS Program. Without such an approval process, electric suppliers will not know whether a particular facility can be part of their RPS compliance efforts. Without such approval by the Commission, participants may be reluctant to make the long-term investments in renewable facilities necessary for Virginia's RPS

Program to succeed. It would not make financial sense for utilities to sign long-term contracts with facilities that may not meet with State approval.

Dominion Virginia Power supports such a registration system and feels that it is important to make the reporting requirements as simple as possible while obtaining enough information to assess the proposed generator. Based on the Company's experience in several other States, a typical process is as follows:

- Submittal of a registration package by the facility to the State entity, usually the public utility commission (i.e., the REC issuer). Copies of applications from Pennsylvania, Maryland and the District of Columbia are included as Attachment A;
- Review by the State;
- Discussion between the State and the facility with regard to the registration package if questions arise; and
- Publication of an order or a letter by the State approving or rejecting the facility as eligible to sell renewable energy and/or RECs in the State and provision to the facility of a registration number that can be used by the third party tracking entity. *See* copies of such letters Dominion Virginia Power has received from the State of Maryland and the District of Columbia included as Attachment B.

Once these registration requirements are fulfilled, and the Commission approval is issued, the generator is then allowed to sell the renewable energy and/or RECs based on the assurance that it is approved by the State and can be used by utilities to meet the applicable renewable portfolio standard.

The Company also urges the Commission to use the GATS, as described in response to Issue No. 4.

In its Order, the Commission made a reference to the North Carolina Green Power Program ("NC GreenPower"). NC Green Power is a third party, non-profit organization established by the NC Commission to promote new renewable generation resources in

North Carolina and to improve the environment through voluntary tax-deductible contributions from individual consumers or businesses within that state. The money that has been collected through voluntary contributions is consolidated and then there is a statewide bidding process under which "winning" renewable generators are awarded funds to support their projects to supplement the avoided cost payments they receive from the host utility.

The NC GreenPower program was in place for several years before the mandatory REPS became law in 2007. The voluntary NC GreenPower program is expected to continue even after the mandatory renewable portfolio standard is implemented because some customers will want the opportunity to purchase more renewable energy than is prescribed by the law. The NC GreenPower program is unlike the voluntary RPS in terms of design, implementation and administration, so there is little if anything that can be "borrowed" or adapted for Virginia's RPS Program.

Issue 6: Virginia Code Section 56-585.2 F states in part:

> **A participating utility shall be required to fulfill any remaining deficit needed to fulfill its RPS goals from new renewable energy supplies at reasonable cost and in a prudent manner to be determined by the Commission at the time of approval of any application made pursuant to subsection B.**

What standards should the Commission apply in determining the reasonableness and prudence of these resources acquisitions?

Pursuant to § 56-585.2 F, the utility is required to show in its Initial RPS Filing that any deficit needed from new renewable energy supplies (as opposed to the types of facilities referenced in that subsection) to fulfill its RPS Goals will be obtained "at reasonable cost and in a prudent manner." The Commission should require the utility to

provide information on the costs of renewable sources based on a projected dollar per renewable MWhr basis for the deficit amount. The Commission Staff should review this cost information in the same way it reviews the other information provided in the Initial RPS Filing proceeding. The Commission should recognize that so long as the Company is contracting with third parties, its contracted cost is reflective of the current market for renewable energy or certificates. As it has been found to be in the "public interest" for the utility to meet the RPS Goals, as long as the utility is buying renewable energy or RECs at market rates for renewables from third parties such efforts should comply with the reasonable cost standard.[3]

A similar review can be made to find compliance with the "prudent manner" standard. So long as the utility is following its standard business practices for procurement, the Commission should find the procurement to be made in a prudent manner in accord with the statute.

Moreover, a utility should not be barred, after the fact, from recovering higher-than-expected costs for renewables purchases approved as part of a company's RPS program. Despite utilities' best efforts to ensure that they have solid renewables contracts and facilities in place, there is a significant risk that, through no fault of a utility, some renewable energy facilities may fail to perform as projected, or third-party suppliers may default on contracts being relied upon to meet the statutory RPS Goals. Any of these scenarios could require the utility to make up such failures of supply from alternative sources at higher costs. Unlike the existing wholesale power market, the current market for renewable energy and RECs is neither robust nor liquid, and

[3] It is expected that renewable energy will cost more than energy from conventional generation sources

significant price volatility could exist. In fact, one purpose of the RPS Program is to foster development of a renewable energy market in Virginia. Utilities should not be denied recovery as "unreasonable" or "imprudent" if the costs of actual renewable generation or resource acquisition is higher than projected.

Issue 7: Virginia Code Section 56-585.2 E states in part:

> **All incremental costs of the RPS program shall be allocated to and recovered from the utility's customer classes based on the demand created by the class and within the class based on energy used by the individual customer in the class, except that the incremental costs of the RPS program shall not be allocated to or recovered from customers that are served within the large industrial rate classes of the participating utilities and that are served at primary or transmission voltage.**

How shall the Commission determine which customer classes and subclasses should be construed to fall within the "large industrial rate classes of participating utilities" that are not to be allocated incremental costs of the RPS program, given that such a customer may be served at transmission or primary voltage?

For Dominion Virginia Power, the definition contained in § 56-585.2 E of the large industrial rate class that would be excluded from allocation and payment of the incremental costs of the RPS program generally aligns with the applicability clause of the Company's Commission-approved Large General Service 4 (GS-4) rate schedule. In previous rulemaking proceedings, the Commission has defined a "large customer" to be those with an annual peak demand of greater than 500kW,[4] or the Commission refers to customer classes defined by the existing rate schedules of each utility or a reasonable

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because of market conditions and higher infrastructure costs associated with renewable generators.

[4] *See* 20 VAC 5-312-80(Q) (imposing a minimum stay requirement on large customers with an annual peak demand of 500 kW or greater) as adopted in Final Order, *Ex. Parte: In the Matter of Establishing Rules and Regulations Pursuant to the Virginia Electric Restructuring Act for Customer Minimum Stay Periods*, Case No. PUE-2001-00296, October 9, 2001, p. 8-9.

demand threshold as specified by the utility's Commission-approved tariff, which for Dominion Virginia Power is 500kW.[5] The Company recommends that the Commission use this guideline for RPS programs as well.

Using this threshold, the Company's current GS-4 rate class, limited to customers with a peak demand above 500 kW and service at either the Primary or Transmission level, would be the class that would define "large customer" among Dominion Virginia Power customers. The Company's GS-4 customer class could potentially include commercial or non-manufacturing customers. At the present time it does not, because all GS-4 customers are industrial processes. Should a commercial facility at some point in the future qualify for the GS-4 customer class, that location would not be eligible for the RPS exemption.

[5] *See* Staff Report Presenting Proposed Rules for Competitive Electricity Metering, *Ex. Parte: In the Matter of Establishing Rules and Regulations Pursuant to the Virginia Electric Utility Restructuring Act for Competitive Metering Services*, Case No. PUE-2001-00298, February 25, 2003, p.12 and adopted by the Commission in Order Adopting Rules, *Ex. Parte: In the Matter of Establishing Rules and Regulations Pursuant to the Virginia Electric Utility Restructuring Act for Competitive Metering Services*, Case No. PUE-2001-00298, July 11, 2003, p. 4.

Conclusion

The Company respectfully requests that the Commission consider its comments in its promulgation of rules pursuant to the RPS Program.

Respectfully submitted,

VIRGINIA ELECTRIC AND POWER COMPANY

By: _____
Counsel

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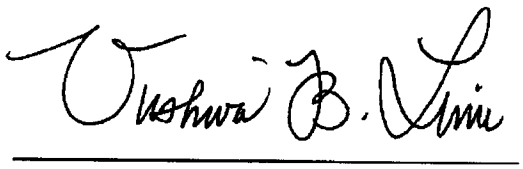
Attorneys for Virginia Electric and Power Company

Dated: February 4, 2008

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Comments of Virginia Electric and Power Company on Issues Related to Rules and Regulations Regarding Renewable Energy Portfolio Standard Programs was either hand-delivered or mailed, postage prepaid, this 4th day of February 2008, to the following:

C. Meade Browder, Jr.
Sr. Assistant Attorney General
Office of the Attorney General
Division of Consumer Counsel
900 E. Main St., 2nd Fl.
Richmond, VA 23219



9/20/07 – 9:00am

Pennsylvania Alternative Energy System Application

http://www.puc.state.pa.us/electric/docs/Alternative_Energy_System_App.doc

9/20/07 – 9:00am

Alternative Energy System Qualification

The Commission and the Pennsylvania Department of Environmental Protection have completed an interim qualification process for alternative energy systems. The generators identified in the spreadsheet below that have been assigned a Pennsylvania certification number may be eligible for alternative energy credits. Generators who have not been assigned a Pennsylvania certification number should submit an application to the Pennsylvania Department of Environmental Protection. This interim process will continue until the adoption of final qualification standards.

Secretarial Letter - Dated Jan. 26, 2006.
List of Qualified Generators - As of February 2007.

Alternative Energy System Application

9/20/07 – 9:00am

Resource Qualification Application
Pennsylvania Alternative Energy Portfolio Standard

Instructions

1. Act 213 of 2004, The Alternative Energy Portfolio Standards Act, requires that the Pennsylvania Department of Environmental Protection ("Department) ensure that all qualified alternative energy sources meet all applicable standards and verify that an alternative energy source meets the eligibility standards set forth in section 2 of the Act.
2. A facility using the following fuels as either their primary or secondary fuel must provide this report to the Department on an annual basis. Fuels include: biomass, coal-mine methane, waste coal, municipal solid waste, by-products of the pulping process and wood manufacturing process, coal used in an Integrated Combined Coal Gasification power plant. Forms shall be provided to the Department annually by May 1.
3. Facilities using the following fuels shall provide this report to become qualified as eligible to generate alternative energy credits. This report shall also be provided when existing environmental permits are required to be reauthorized. Fuels include: solar photovoltaics, wind power, low-impact hydropower, geothermal energy, biologically derived methane gas, large-scale hydropower, fuel cells, and industrial by-product technologies.
4. Facilities seeking to qualify as **Low-Impact Hydropower:** Those facilities should notify the Department that they are seeking LIHI certification at the time of their application to LIHI and provide the Department with confirmation of their LIHI certification. Those facilities should provide a narrative outlining the incremental upgrades that have been made at their hydroelectric facility, specifically outlining the capacity and efficiency upgrades that have been made. Alternative energy credits for facilities determined to meet the certification standards established by LIHI will be awarded based on the guidance found in the Department's Section 2 Technical Guidance Document.
5. The Department and the Commission will provide responses to applications consistent with the schedule identified in the attached Secretarial Letter

9/20/07 – 9:00am

Standard Generator Information

Plant Name EIA-860: _____

Plant Address: _____

_____

_____

MSET Plant Name Short: _____

MSET Unit ID: _____

State: _____ **RTO:** _____ **Date Online:** _____

ORISPL Plant Code: _____ **Gen ID:** _____

Primary Fuel: _____ **Secondary Fuel:** _____

State Certification Number (Official Use Only):

_____

9/20/07 – 9:00am

Environmental Compliance Certification

Please list all Federal and State Environmental Permits, the date those permits were authorized and the dates they expire and/or require renewal

Permit Type	Permit Number	Date Authorized	Expiration Date	Agency Contact

9/20/07 – 9:00am

Certify that all required state and federal environmental permits have been obtained (In Pennsylvania this includes appropriate Pennsylvania Natural Diversity Index requirements)

_____ _____

Certifying Official Title Date

Certifying Official Contact Information

Name: _____

Address: _____

_____

_____

Phone: _____

E-mail: _____

Certify that no major environmental violations have been experienced during the preceding year.[1]

_____ _____

Certifying Official Title Date

Certifying Official Contact Information

Name: _____

Address: _____

_____

_____

Phone: _____

[1] A major environmental violation is one that caused significant harm to the environment or pubic health and resulted in a compliance order or penalty.

9/20/07 – 9:00am

E-mail: _____

If a major environmental violation did occur please provide a detailed explanation of the violation, including the date of the violation and the date it was remedied. Please provide a contact at the appropriate state or federal environmental agency.

This form should be provided electronically to the Department at the following:

Joe Sherrick
josherrick@state.pa.us
Subject Line: AEPS Resource Qualification Application.

Questions:

Joe Sherrick
Office of Energy and Technology Development
josherrick@state.pa.us
717-772-8944

Eric Thumma
Office of Energy and Technology Development
ethumma@state.pa.us
717-783-0542

9/20/07 – 9:00am

Maryland Alternative Energy System Application

(http://www.psc.state.md.us/psc/electric/rps/Forms/RPS_GeneratorCertification.doc)

Application for Certification as a Renewable Energy Facility for the Maryland Renewable Energy Portfolio Standard Program

1. Name of Renewable Energy Facility: _____

   Facility address:

   _____

   _____

   _____

2. Name of Owner:

   _____

   Owner address and contact information:

   _____

   _____

   _____

   _____

   Phone: _____

   Fax: _____

   Email: _____

   Owner's Business Type:

   - ☐ Proprietorship
   - ☐ Corporation
   - ☐ Partnership
   - ☐ Limited Partnership
   - ☐ Limited Liability Company
   - ☐ Limited Liability Partnership
   - ☐ Other: _____

3. Name of Operator: _____

   Operator address and contact information:

   _____

   _____

   _____

   _____

   Phone: _____

   Fax: _____

   Email: _____

Operator's Business Type:

- ☐ Proprietorship
- ☐ Corporation
- ☐ Partnership
- ☐ Limited Partnership
- ☐ Limited Liability Company
- ☐ Limited Liability Partnership
- ☐ Other: _____

4. Name of Contact Person:

_____

Contact Person title, address and contact information

_____

_____

_____

_____

Phone: _____

Fax: _____

Email: _____

5. Fuel Types used: (Check all at apply)

Tier 1

☐ **Solar**

- ☐ Wind
- ☐ Qualifying biomass[1]
- ☐ Methane from a landfill or wastewater treatment plant
- ☐ Geothermal
- ☐ Ocean, including energy from waves, tides, currents, & thermal differences
- ☐ Hydroelectric power plant less than 30 megawatts in capacity licensed or exempted from licensing by the Federal Energy Regulatory Commission, (Provide FERC license or evidence of FERC exemption as applicable)

If co-firing, provide the formula on file with PJM Interconnection, Inc.: _____

_____

_____

Tier 2

❑ **Hydroelectric power other than pump storage generation**

❑ Poultry litter (Provide Maryland Energy Administration and Maryland Department of Agriculture determination of sufficiency)

❑ Waste-to-energy

6. Rated Capacity: _____ MW

   If multiple fuel sources are utilized, attach the formula for computing the proportion of output per fuel type by MWh generated.

7. Commercial Operation Start Date: ___/___/_____

   If co-firing with fossil fuels, co-fire start date: ___/___/____

   If co-firing with fossil fuels, submit the allocation formula on file with PJM Interconnection, Inc.

8. Is the Applicant a behind the meter (BTM) generator? ❑ Yes ❑ No
   If yes, complete the following:

   a) Type of meter: _____

   b) Is net metering used? ❑ Yes ❑ No

Required Documentation:

- ❑ Current Certificate of Good Standing issued by the state in which the business was formed
- ❑ One copy of U.S. Department of Energy, Energy Information Administration Form EIA-860, if rated capacity is > 1.0 MW
- ❑ Certificate of authorization to conduct business in the State of Maryland, if applicable.
- ❑ Affidavit of General Compliance
- ❑ **Documentation of authority to sign on behalf of Applicant**

Under penalty of perjury, the undersigned hereby affirms that he/she is authorized to and hereby does make this Application for the Applicant and that based upon personal knowledge and information the contents of this Application are true.

_____	_____	_____
Applicant's Signature	Date	Print Name and Title

AFFIDAVIT OF GENERAL COMPLIANCE

State of _____ :
: ss.
County of _____ :

_____, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/she is the _____ (Officer/Affiant) of _____ (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant.

That the Applicant herein certifies to the Commission under penalty of perjury that:

The Applicant is in compliance with all applicable environmental and administrative requirements as specified under Section 7-704 of the Public Utilities Article of the Annotated Code of Maryland and acknowledges that any change in compliance status constitutes a change of information, notice of which Applicant is required by COMAR 20.61.02.03B to file with the Commission within 30 days.

The Applicant agrees to comply with all applicable federal and state consumer protection and environmental laws and regulations, Section 7-701 et seq. of the Public Utility Companies Article of the Annotated Code of Maryland, Subtitle 20.61 of the Maryland Code of Regulations, and any additional legal requirements of the Maryland Renewable Energy Portfolio Standard Program.

The Applicant further certifies that he/she has personally examined and is familiar with all information contained in the forgoing application, including any attachments and appendices, and further certifies that information to be true, correct, and complete.

_____
Signature of Affiant

Sworn and subscribed before me this _____ day of _____, _____.

_____

Signature of official administering oath

My commission expires _____.

Endnotes

1) "Qualifying biomass" means a nonhazardous, organic material that is available on a renewable or recurring basis, and is:

   (i) waste material that is segregated from inorganic waste material and is derived from sources including:
      1. except for old growth timber, any of the following forest-related resources:
         A. mill residue, except sawdust and wood shavings;
         B. precommercial soft wood thinning;
         C. slash;
         D. brush; or
         E. yard waste;
      2. a pallet, crate, or dunnage;
      3. agricultural and silvicultural sources, including tree crops, vineyard materials, grain, legumes, sugar, and other crop by-products or residues; or
      4. gas produced from the anaerobic decomposition of animal waste or poultry waste; or

   (ii) a plant that is cultivated exclusively for purposes of being used at a Tier 1 renewable source or a Tier 2 renewable source to produce electricity.

   "Qualifying biomass" does not include:

   (i) unsegregated solid waste or postconsumer wastepaper; or

   (ii) an invasive exotic plant species.

945-E-1391

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET N.W., 2ND FLOOR, WEST TOWER
WASHINGTON, D.C. 20005

ORDER

January 26, 2006

FORMAL CASE NO. 945, IN THE MATTER OF THE INVESTIGATION INTO ELECTRIC SERVICES MARKET COMPETITION AND REGULATORY PRACTICES, ORDER NO. 13860

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") hereby accepts the recommendations set forth in the Report of the Renewable Energy Portfolio Standard ("RPS") Working Group ("Report") submitted on December 22, 2005.

II. BACKGROUND

2. On November 10, 2005, the Commission issued Order No. 13804 directing the RPS Working Group to submit a list of comparable state certificates that would meet the District of Columbia's standards under the Renewable Energy Portfolio Standard Act of 2004 ("RPS Act").[1] On December 22, 2005, in furtherance of the Commission's directive, the RPS Working Group submitted its Report on comparable state certificates and related issues.[2]

III. DISCUSSION

A. PJM and Adjacent State Certification

Working Group Report

3. The RPS Working Group Report contains a matrix comparing the District's standard with respect to Renewable Energy Credits ("RECs") to the REC standards of PJM states and states adjacent[3] to PJM with RPS programs. As such, the states considered by the RPS

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[1] *See* Order No. 13804 at p. 13; *see also Renewable Energy Portfolio Standard Act of 2004*, Pub. L. No. 15-340 (2005).

[2] For purposes of the December 22 Working Group Report, the participating members of the RPS Working Group are as follows: Potomac Electric Power Company ("PEPCO"), the Office of the People's Counsel ("OPC"), the District of Columbia Energy Office ("DCEO"), Solar Energy Industries Association ("SEIA"), PEPCO Energy Services, Inc. ("PES"), District of Columbia Water and Sewer Authority ("WASA"), and Washington Gas Energy Services, Inc. ("WGES").

[3] The Report states that the broad definition of adjacent state was used, not because the Working Group agreed on the definition but because the Commission had not yet ruled on the issue. RPS Working Group Report at 2. On December 28, 2005, the Commission issued Order No. 13840 in which the Commission held that

Working Group were Maryland, Virginia, West Virginia, Pennsylvania, Delaware, New Jersey, North Carolina, Kentucky, Tennessee, Ohio, Indiana, Illinois, New York, Michigan, Missouri, South Carolina, Wisconsin, Alabama, Arkansas, Georgia and Iowa.[4] Of those considered, the following states have a RPS policy in place: Maryland, Pennsylvania, Delaware, New Jersey, New York, Illinois, Iowa, and Wisconsin.[5] The RPS Working Group explains, however, that Illinois is a resolution-only state, with no regulation in place, and Iowa is a set-aside state, with vague regulations.[6] As such, neither Illinois nor Iowa were included among the states with RPS requirements for the purposes of the RPS Working Group's comparison. Thus, the Working Group considered six states to be reviewed for comparable certification standards: Delaware, Maryland, New Jersey, New York, Pennsylvania and Wisconsin.[7]

4. The matrix in the RPS Working Group Report is offered as a tool to determine whether or not a resource, qualified under the RPS standards of another state, would automatically qualify for eligibility as a District renewable resource.[8] The RPS Working Group Report used definitions taken directly from state RPS regulations or legislation, purportedly for all similar resources eligible under the District's RPS, to build the automatic eligibility matrix.[9]

5. The RPS Working Group matrix is divided into Tier I and Tier II resources, and eligibility is delineated by the term, "eligible," "not eligible," or "not applicable."[10] Table 1 below presents the automatic eligibility results for Tier I resources in PJM and the adjacent states. In Table 1, the term "eligible" means that the resource definition in the state is equivalent to or more restrictive than the District. For example, a wind generator certified in Pennsylvania would automatically comply as an RPS eligible resource in the District. However, due to the variability among state definitions of biomass and fuel cells, the RPS Working Group determined that generators in those categories wishing to be certified in the District would be required to submit an application for certification, and would not be automatically eligible for certification. Such instances are designated as "not eligible" in Table 1.[11] It is important to note that the term "not eligible" as used in the table below refers to a resource that fails to automatically qualify for District certification – it does not indicate that the resource ultimately should be denied certification in the District.

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the following states were deemed adjacent to PJM as of November 2005: Alabama, Arkansas, Georgia, Iowa, Mississippi, Missouri, New York, South Carolina, and Wisconsin.

4 *See* RPS Working Group Report at 2.

5 *See* RPS Working Group Report at 2.

6 *See* RPS Working Group Report at 2.

7 *See* RPS Working Group Report at 2. The RPS Working Group notes that RPS regulations are not yet final in Delaware and Pennsylvania, but concludes that "the definitions will be consistent with the District's legislation and are therefore unlikely to change significantly enough to alter automatic eligibility in the matrix."

8 *See* RPS Working Group Report at 2.

9 *See* Attachment A, RPS Working Group Report. Attachment B of the Report includes links to relevant state RPS regulations or legislation.

10 *See* RPS Working Group Report at 3.

11 Not eligible means "not automatically eligible."

Table 1

Tier I Certificate Eligibility Matrix[12]

Source	*Delaware*	*Maryland*	*New Jersey*	*New York*	*Pennsylvania*	*Wisconsin*
Solar	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
Wind	Eligible	Eligible	Eligible	Eligible	Eligible	Eligible
Qualifying Biomass	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible
Applicable Methane	Eligible	Eligible	Eligible	Eligible	Eligible	
Geothermal	Eligible	Eligible	Eligible		Eligible	Eligible
Ocean	Eligible	Eligible	Not Eligible	Eligible		Eligible
Applicable Fuel Cell	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible	Not Eligible

Source: RPS Working Group Report at p. 7.

6. The RPS Working Group performed a similar review of comparable state certificates for Tier II resources, the results of which are shown in Table 2 below. The terms "eligible" and "not eligible" are used in the same manner as above in Table 1. However, the RPS Working Group notes that for Tier II resources, the matrix is meant to be used to determine automatic eligibility only after a generator has been determined to meet the District RPS date of operation restrictions.[13] The Working Group states that energy from a Tier II renewable source is eligible in the District if it is generated at a system or facility that existed and was operational as of January 1, 2004.[14]

[12] A blank cell indicates that the resource in question is not included or not applicable under the respective state's RPS.

[13] *See* RPS Working Group Report at 3.

[14] *See* RPS Working Group Report at 3.

Table 2

Tier II Certificate Eligibility Matrix[15]

Source	*Delaware*	*Maryland*	*New Jersey*	*New York*	*Pennsyl-vania*	*Wiscon-sin*
Hydro	Eligible	Eligible	Eligible	Eligible	Not Eligible	Eligible
MSW		Eligible	Eligible	Eligible	Eligible	

Source: RPS Working Group Report at p. 7.

7. As shown in Table 2, energy from a Pennsylvania hydro source is not automatically eligible in the District.[16] This designation is resultant from the fact that unlike the District, Pennsylvania qualifies energy from pumped-storage hydro facilities.[17]

B. District Certification Number

8. The RPS Working Group states that the adoption of transparent criteria for state and resource reciprocal eligibility would enable the Commission Staff and/or PJM to issue District-specific certification numbers to eligible resources, without any additional effort on the part of generators.[18] The RPS Working Group further recommends that resources that are clearly eligible and noted in the matrix be deemed eligible for RPS compliance purposes whether or not such facilities bear a DC-specific certification number.[19]

C. Frequency of Review

9. The RPS Working Group recommends that the Commission review and update the automatic certification matrix annually, by December 15th. An annual review, rather than a more frequent review, is intended to reduce the administrative burden on the Commission.[20] The RPS Working Group further argues that an annual update would facilitate the maximum number of participants in the District market by ensuring that new states and new resources are included for automatic eligibility on a regular basis.[21]

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15 A blank cell indicates that the resource in question is not included under the respective state's RPS is not applicable.

16 *See* RPS Working Group Report at 4.

17 *See* RPS Working Group Report at 4.

18 *See* RPS Working Group Report at 4-5.

19 *See* RPS Working Group Report at 5.

20 More frequent updates would necessitate that the Commission constantly track RPS activity in other states.

21 *See* RPS Working Group Report at 6.

Commission Decision

10. In Order No. 13766, the Commission held that a simple process should be developed to certify renewable generators to serve as a RPS resource in the District.[22] Order No. 13766 further held that with respect to renewable generators located in other states, the Commission would consider accepting another state's certification, provided that the resource complies with the District's RPS requirements.[23] The Commission expressly stated that renewable generators located and certified in other states would need to be examined by the Commission to assure compliance with the RPS Act.[24] In Order No. 13804, the Commission approved a series of forms and rules developed by the RPS Working Group to implement the RPS Act,[25] including forms for the certification of renewable resources. In adopting those forms, the Commission reiterated its goal of implementing a streamlined process for the certification of facilities.[26]

11. The Commission finds the approach taken by the RPS Working Group to compile the Tier I and Tier II automatic eligibility matrices appropriate as it promotes a streamlined and simple process for the certification of RPS resources located outside of the District. The use of the matrix is appropriate in that it establishes automatic eligibility only where the definition used in other jurisdictions mirrors, or is more restrictive than, the definition of the resource used in the District's Act. The Commission further finds that an annual review of the eligibility matrices would appropriately balance the need to ensure the veracity of the eligibility information with the administrative burden associated with more frequent reviews. In the event that a state passes a new renewable portfolio standard, all applicable resources would still be eligible for certification, but automatic eligibility would be delayed until such time as the Commission issues an updated eligibility matrix. To that end, the Commission directs the RPS Working Group to submit annual updates to the matrices, by December 1st of each calendar year. This will enable the Commission to adopt the revised matrices by December 15th, as recommended by the Working Group. Furthermore, the Commission encourages generators to review the list of eligible facilities posted on the Commission website to confirm which facilities have been certified.

12. The RPS Working Group's submission of the aforementioned matrices obviates the need for generators whose resources meet eligibility requirements that are similar to or exceed those in the District, to submit a full scale application with supporting data to the District for certification. Instead, those generators need only provide the Streamlined Application for District of Columbia Certification as a Renewable Energy Standards Generating Facility, which is included in Appendix A. The Streamlined Application differs from the full scale application required of all generators seeking certification in the District because it does not require applicants to submit supporting data in the Required Documentation Section of the

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22 *See* Order No. 13766 at p. 23.

23 *See* Order No. 13766 at p. 23.

24 *See* Order No. 13766 at p. 23.

25 *See* Order No. 13804 rel. November 10, 2005.

26 *See* Order No. 13804 at p. 6.

Application.[27] Instead, Applicants using the Streamlined Application need to submit their certification number from another state. Upon receipt of the Streamlined Application and verification of the resources by Staff, the Commission will assign the generator a unique District Certification Number, submit the information to PJM GATS, and post all relevant certification information on the Commission's web site for use by District suppliers. The Streamlined Applications will be evaluated, and a final determination regarding certification will be issued within 15 business days of the receipt of the Application. All generators that do not qualify for automatic eligibility remain eligible to submit an application for certification using the form and process approved in Order No. 13804.[28]

13. In determining the appropriate application to use in the streamlined process, the Commission has determined that a modification to the full scale application is required. In Order No. 13804, the Commission approved an application for certification that included the following Question No. 6:

> Where is Generated Electricity (or energy) Consumed?
>
> ___ Within Geographic Area of PJM Interconnection, LLC
>
> ___ Outside of PJM Interconnection, LLC Geographic Area

Upon further evaluation, the Commission has determined that Question No. 6 goes to the issue of compliance with the RPS Act rather than the issue of certification as a qualified generator under the RPS Act. As the Commission has established a separate process for determining compliance with the RPS Act, which appropriately applies to all load serving entities rather than generators, we find that Question No. 6 is unnecessary for certifying a generator in the District. We therefore delete Question No. 6, and approve the revised full scale application contained in Appendix B.

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[27] As discussed below, by this Order the Commission also revises the formal application approved in Order No. 13804.

[28] *See* Order No. 13804 at p. 6.

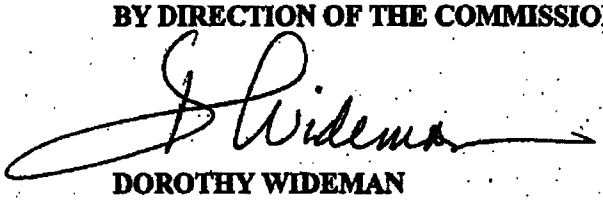
THEREFORE, IT IS ORDERED THAT:

14. The recommendations set forth in the Working Group Report are accepted in accordance with the discussion in this Order.

A TRUE COPY:

CHIEF CLERK

BY DIRECTION OF THE COMMISSION:



DOROTHY WIDEMAN
COMMISSION SECRETARY

STREAMLINED APPLICATION FOR CERTIFICATION AS AN ELIGIBLE DISTRICT OF COLUMBIA RENEWABLE ENERGY STANDARDS GENERATING FACILITY

1. Name of Renewable Energy Facility: _____
   Facility Address: _____
   _____
   _____

2. Name of Owner: _____
   Owner's address and contact information _____
   _____
   _____

   Phone: _____
   Fax: _____
   Email: _____

3. Name of Operator: _____
   Operator's address and contact information _____
   _____
   _____

   Phone: _____
   Fax: _____
   Email: _____

4. Name of Contact Person: _____
   Contact Person Title, address and contact information: _____
   _____
   _____

   Phone: _____
   Fax: _____
   Email: _____

5. Location of Resource:
   ____ Within Geographic Area of PJM Interconnection, L.L.C.
   ____ Other (specify) _____

6. Fuel Types (Check all that are Applicable; see Notes for Additional Definitions)

Tier I

____ Solar Energy
____ Wind
____ Qualifying Biomass
____ Methane from the anaerobic decomposition of organic materials in a land fill or wastewater treatment plant
____ Geothermal
____ Ocean, including energy from waves, tides, currents & thermal differences
____ Fuel Cells producing electricity from qualifying biomass or methane as described above

Tier II

____ Hydroelectric Power other than Pumped Storage
____ Waste-to-Energy

7. Rated Capacity: _____ MW (to one decimal place) or KW

If multiple fuel sources are utilized, attach the formula for computing the proportion of output per fuel type by MWh (or kWh) generated.

8. Commercial Operation Start Date: __/__/__

If co-firing with fossil fuels, co-fire start date: __/__/__
If co-firing with fossil fuels, submit the allocation formula that indicates the facility's annual percentage of electricity production from fossil fuels.

9. Is the facility a behind-the-meter (BTM) generator?
____ Yes (answer (a) below)
____ No

(a) Is net metering used? __ Yes __ No

10. As of the date of this Application, is the facility currently certified by another state as an eligible generation resource to meet the renewable portfolio standards of that state?

___ Yes ___ No

Name of State: _____
State Certification Agency: _____
State Certification Number: _____
Date Issued: _____

Under penalty of perjury, the undersigned hereby affirms that he/she is authorized to and hereby does make this Application for the Applicant and that based upon personal knowledge and information the contents of this Application are true.

_____	_____	_____
Signature	Date	Printed Name and Title

Notes:

1) "Solar energy" means radiant energy, direct, diffuse, or reflected, received from the sun at wavelengths suitable for conversion in to thermal, chemical, or electrical energy.

2) "Qualifying biomass" means a solid, nonhazardous, cellulosic waste material that is segregated from other waste materials, and is derived from any of the following forest related resources with the exception of old growth timber, unsegregated solid waste, or post consumer wastepaper:

(A) Mill residue;
(B) Precommercial soft wood thinning;
(C) Slash;
(D) Brush;
(E) Yard waste;
(F) A waste pallet, crate, or dunnage;
(G) Agricultural sources including tree crops, vineyard materials, grain, legumes, sugar, and other crop by-products or residues; or
(H) Cofired biomass.

AFFIDAVIT OF GENERAL COMPLIANCE

State of _____ :
: ss.
County of _____ :

_____, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/she is the _____ (Officer/Affiant) of _____ (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant.

That the Applicant herein certifies to the Commission under penalty of perjury that:

The Applicant acknowledges that any change in compliance status constitutes a change of information, notice of which by Applicant is required to be filed with the Public Service Commission immediately.

The Applicant further certifies that he/she has personally examined and is familiar with all information contained in the foregoing application, including any attachments and appendices, and further certifies that information to be true, correct, and complete.

_____
Signature of Affiant

Sworn and Subscribed Before Me this _____ day of _____.

_____
Signature of Official Administering Oath

My Commission Expires:_____

APPLICATION FOR CERTIFICATION AS AN ELIGIBLE DISTRICT OF COLUMBIA RENEWABLE ENERGY STANDARDS GENERATING FACILITY

1. Name of Renewable Energy Facility: _____
   Facility Address: _____
   _____
   _____

2. Name of Owner: _____
   Owner's address and contact information _____
   _____
   _____

   Phone: _____
   Fax: _____
   Email: _____

3. Name of Operator: _____
   Operator's address and contact information _____
   _____
   _____

   Phone: _____
   Fax: _____
   Email: _____

4. Name of Contact Person: _____
   Contact Person Title, address and contact information: _____
   _____
   _____

   Phone: _____
   Fax: _____
   Email: _____

5. Location of Resource:
   ____ Within Geographic Area of PJM Interconnection, L.L.C.
   ____ Other (specify) _____

6. Fuel Types (Check all that are Applicable; see Notes for Additional Definitions)

Tier I

____ Solar Energy
____ Wind
____ Qualifying Biomass
____ Methane from the anaerobic decomposition of organic materials in a land fill or wastewater treatment plant
____ Geothermal
____ Ocean, including energy from waves, tides, currents & thermal differences
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Tier II

____ Hydroelectric Power other than Pumped Storage
____ Waste-to-Energy

7. Rated Capacity: _____ MW (to one decimal place) or KW

If multiple fuel sources are utilized, attach the formula for computing the proportion of output per fuel type by MWh (or kWh) generated.

8. Commercial Operation Start Date: __/__/__

If co-firing with fossil fuels, co-fire start date: __/__/__
If co-firing with fossil fuels, submit the allocation formula that indicates the facility's annual percentage of electricity production from fossil fuels.

9. Is the facility a behind-the-meter (BTM) generator?
____ Yes (answer (a) below)
____ No

(a) Is net metering used? __ Yes __ No

10. As of the date of this Application, is the facility currently certified by another state as an eligible generation resource to meet the renewable portfolio standards of that state?

___ Yes ___ No

Name of State: _____
State Certification Agency: _____
State Certification Number: _____
Date Issued: _____

Required Documentation to be Attached:

____ Current Certificate of Good Standing, if applicable, issued by the state in which the business was formed
____ One copy of U.S. Department of Energy, Energy Information Administration Form EIA-860, if rated capacity is > 1.0 MW
____ Certificate of Authorization to Conduct Business in the District of Columbia, if Applicable
____ Affidavit of General Compliance
____ Documentation of authority to sign on behalf of Applicant

Under penalty of perjury, the undersigned hereby affirms that he/she is authorized to and hereby does make this Application for the Applicant and that based upon personal knowledge and information the contents of this Application are true.

_____ _____ _____
Signature Date Printed Name and Title

Notes:

1) "Solar energy" means radiant energy, direct, diffuse, or reflected, received from the sun at wavelengths suitable for conversion in to thermal, chemical, or electrical energy.

2) "Qualifying biomass" means a solid, nonhazardous, cellulosic waste material that is segregated from other waste materials, and is derived from any of the following forest related resources with the exception of old growth timber, unsegregated solid waste, or post consumer wastepaper:

(A) Mill residue;
(B) Precommercial soft wood thinning;
(C) Slash;
(D) Brush;
(E) Yard waste;
(F) A waste pallet, crate, or dunnage;

(G) Agricultural sources including tree crops, vineyard materials, grain, legumes, sugar, and other crop by-products or residues; or
(H) Cofired biomass.

AFFIDAVIT OF GENERAL COMPLIANCE

State of _____ :
: ss.
County of _____ :

_____, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/she is the _____ (Officer/Affiant) of _____ (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant.

That the Applicant herein certifies to the Commission under penalty of perjury that:

The Applicant acknowledges that any change in compliance status constitutes a change of information, notice of which by Applicant is required to be filed with the Public Service Commission immediately.

The Applicant further certifies that he/she has personally examined and is familiar with all information contained in the foregoing application, including any attachments and appendices, and further certifies that information to be true, correct, and complete.

_____
Signature of Affiant

Sworn and Subscribed Before Me this _____ day of _____.

_____
Signature of Official Administering Oath

My Commission Expires:_____

STATE OF MARYLAND

PUBLIC SERVICE COMMISSION

#10, 11/22/06 CA; ML#s 102720
and 103294, IR-937

November 22, 2006

Ms. Diane O. Black
Virginia Electric and Power Company
5000 Dominion Blvd.
Glen Allen, Virginia 23060

Dear Ms. Black:

The Commission has reviewed the Application for Certification as a Renewable Energy Facility for the Maryland Renewable Energy Portfolio Standard Program and additional information filed on August 18, 2006 and October 6, 2006 by Virginia Electric and Power Company ("Company").

After considering this matter at the November 22, 2006 Administrative Meeting, the Commission issued renewable energy facility Certification Number MD-30107-WDS-01 to the Company for the Pittsylvania Power Station facility.

Additionally, the Company is reminded that under COMAR 20.61.02.03B, it is obligated to notify the Commission within 30 days of any substantial change to the information contained in its application.

By Direction of the Commission,

/s/ O. Ray Bourland

O. Ray Bourland
Executive Secretary

ORB/gjd

c: GATS Administrator, PJM Environmental Information Service, Inc.
M. Brent Hare, Esquire, Maryland Energy Administration
Mr. Peter Dunbar, Maryland Department of Natural Resources
Ms. Karen Irons, Maryland Department of the Environment
Patricia Smith, People's Counsel

WILLIAM DONALD SCHAEFER TOWER • 6 ST. PAUL STREET • BALTIMORE, MARYLAND 21202-6806
410-767-8000 • Toll Free: 1-800-492-0474 • FAX: 410-333-6495
MDRS: 1-800-735-2258 (TTY/Voice) • Website: www.psc.state.md.us/psc/

STATE OF MARYLAND
PUBLIC SERVICE COMMISSION

NUMBER: IR-937
DATE: November 13, 2006
MAIL LOG NO: 102720 and 103294

TO: Kenneth D. Schisler, Chairman
Harold D. Williams, Commissioner
Allen M. Freifeld, Commissioner
Charles R. Boutin, Commissioner

FROM: Anthony Myers, Assistant Executive Director

RE: Virginia Electric and Power Company – Application for Certification as a Renewable Energy Facility

---

Description of Application:

On August 18, 2006, Virginia Electric and Power Company ("VEPCO" or "the Applicant") filed with the Commission an application (ML No. 102720) seeking certification as a renewable energy facility under Section 20.61.02.01 of the Code of Maryland Regulations ("COMAR"). On October 6, 2006, the Applicant filed supplemental information (ML No. 103294) to the initial application for certification.

Groups which should receive a copy of Staff Recommendations:

Virginia Electric and Power Company
PJM Environmental Information Services, Inc.
Maryland Energy Administration
Power Plant Research Program of the Department of Natural Resources
Maryland Office of People's Counsel

Recommended Action (Including Conditions):

Staff recommends that the Commission grant the application of Virginia Electric and Power Company and issue the Pittsylvania Power Station facility a Renewable Energy Facility certification number as specified herein. If the information on which the application is based should change, the Applicant should be directed to file notice with the Commission within 30 days of the change.

John O. Sillin
Director, ERM

Andrew N. Beach
Staff Counsel

Commission Action on _____:

Approved _____ Disapproved _____ Accept for Filing _____

Background:

COMAR 20.61 implements Section 7-701 *et seq.* of the Public Utility Companies ("PUC") Article of the Annotated Code of Maryland ("RPS Legislation") and establishes the Maryland Renewable Energy Portfolio Standard ("RPS") Program. All electricity suppliers are required to comply with the RPS Legislation and COMAR 20.61. Renewable on-site generators may choose to participate in the RPS Program unless the generator is also a supplier or load serving entity.

A supplier's compliance with the RPS Legislation is accomplished by submitting an amount of renewable energy credits ("RECs") equal to the supplier's RPS for a specified reporting period or paying a compliance fee specified at PUC Article §7-705(b). A renewable on-site generator may choose to sell or trade its RECs to a supplier in need of the RECs.

A REC may be earned equal to the attributes associated with each MWh of generation derived from a certified Renewable Energy Facility ("REF"). COMAR 20.61.02 describes the procedure by which the Commission may certify a facility as a REF. Specifically, COMAR requires that a facility seeking certification as a REF file a completed application with the Commission that lists the following: 1) name and location of the REF; 2) owner's legal name and copy of a certificate of good standing issued by the state of the applicant's formation; 3) operator's name; 4) description of the facility's technology; 5) rated renewable capacity, and where cofired with fossil fuels, the proportion of output per fuel type generated according to the fuel source on file with the generation attributes tracking system ("GATS") operated by PJM Environmental Information Services, Inc. ("PJM-EIS"); 6) documentation that the facility meets the requisite Tier 1 or Tier 2 requirements for which certification is sought; and 7) certification that the applicant is substantially in compliance with all applicable environmental and administrative requirements as specified in PUC Article §7-704.

COMAR 20.61.02 further provides that upon Commission certification of a REF, the REF shall apply to PJM-EIS to establish a GATS account in its name. The account must be maintained in good standing in order for a REC to be considered eligible to satisfy Maryland's RPS.

Comments:

Staff has reviewed the application filed by VEPCO for its Pittsylvania Power Station for REF certification of its facility and found it to be complete. Pittsylvania Power Station is located in Virginia, a state eligible to participate in the RPS Program. The Applicant uses waste wood solids to generate electricity for on-site use. Waste wood

solids are considered qualifying biomass, which is designated a Tier 1 renewable source under PUC §7-701(l). The Pittsylvania Power Station tracks the fuel utilized through their yearly Wood Product Consumption Summary. The fuel products utilized are identified as Wood Chips, Residue, Sawdust, Waste Wood Chips, Flail and Westvaco. As per the definitions of each fuel source provided by the applicant and PUC §7-701(h), the generation associated with the fuel sources identified as Wood Chips and Waste Wood Chips may be eligible for RECs. Electricity generation from the fuel sources identified as Residue, Sawdust, Flail and Westvaco is not eligible for Tier 1 RECs as these fuel types contain sawdust and/or wood shavings. Under PUC §7-701(h), sawdust and wood shavings are not eligible fuel sources for Tier 1 or Tier 2 REC generation. Staff recommends using a heating value of 4,950 BTU/lb. in order to determine the amount of electricity coming from each fuel source. The Pittsylvania Power Station has a rated capacity of 83 MW, however the EIA-860 is being updated and the version of the form submitted does not reflect the generator upgrades made in May 2006.

Staff proposes that the following REF certification number be assigned to the Pittsylvania Power Station facility: **MD-30107-WDS-01.** The twelve-digit number is consistent with the GATS identification system. The first two letters represent the state that is certifying the facility. The next five digits identify the facility. The following three letters represent the renewable energy source on which RECs from the facility are based. The last two digits indicate whether the renewable energy source is Maryland Tier 1 or Maryland Tier 2.

Recommendation:

Staff recommends that the Commission grant the application of Virginia Electric and Power Company and issue the Pittsylvania Power Station facility a Renewable Energy Facility certification number as specified herein. If the information on which the application is based should change, the Applicant should be directed to file notice with the Commission within 30 days of the change.

Gregory H King
Regulatory Economist

cc: Craig B. Chesek, Director of Administration and Operations
Susan Stevens Miller, General Counsel
O. Ray Bourland, Executive Secretary
Bryan G. Moorhouse, Chief Hearing Examiner
Office of External Relations

RP S - 06 - 22 - 3
RP S - 06 - 23 - 4

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1333 H STREET, N.W., SUITE 200, WEST TOWER
WASHINGTON, D.C. 20005

ORDER

September 29, 2006

RPS 06-22 AND 06-23, IN THE MATTER OF THE APPLICATIONS OF VIRGINIA ELECTRIC AND POWER COMPANY FOR CERTIFICATION OF THE PITTSYLVANIA AND ALTAVISTA POWER STATIONS AS RENEWABLE ENERGY STANDARDS GENERATING FACILITIES, Order No. 14076

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") grants Virginia Electric and Power Company's ("Virginia Power") Applications for Certification of the Pittsylvania and Altavista Power Stations as Eligible District of Columbia Renewable Energy Standards Generating Facilities.

II. BACKGROUND

2. By Order issued December 28, 2005, the Commission adopted Rules for the Implementation of a Renewable Energy Portfolio Standard in the District of Columbia ("RPS rules").[1] Under the RPS rules, a renewable electricity generator may submit an application to the Commission requesting certification as an eligible Tier I or Tier II resource in the District of Columbia.[2] In addition, the applicant must, *inter alia*: 1) register the facility with the Generation Attribute Tracking System ("GATS") of the PJM Environmental Information Services, Inc.; 2) submit an Affidavit of General Compliance with the RPS rules and District laws; 3) submit a current Certificate of Good Standing issued by the state in which the business was formed; 4) submit a Certificate of Authorization to Conduct Business in the District of Columbia; and 5) obtain a District certification number upon certification by the Commission.[3]

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1 *Formal Case No. 945, In the Matter of the Investigation into Electric Service Market Competition and Regulatory Practices* ("*F.C. No. 945*"), Order No. 13840, rel. Dec. 28, 2005.

2 *Id.*

3 *Id. See also, F.C. No. 945*, Order No. 13804, rel. Nov. 10, 2005.

III. DISCUSSION

3. On August 18, 2006, Virginia Power filed its Applications.[4] These Applications contain all the information required in order to be certified as Eligible District of Columbia Renewable Energy Standards Generating Facilities. Accordingly, we approve Virginia Power's Applications for Certification and assign District-specific certification numbers to each facility. Finally, in accordance with the RPS rules Virginia Power must register these facilities with GATS of the PJM Environmental Information Services, Inc.

THEREFORE, IT IS ORDERED THAT:

4. Virginia Electric and Power Company's Applications for Certification of the Pittsylvania and Altavista Power Stations as Eligible District of Columbia Renewable Energy Standards Generating Facilities are hereby **GRANTED**;

5. Virginia Electric and Power Company must register each facility with the Generation Attribute Tracking System of the PJM Environmental Information Services, Inc.; and

6. Virginia Electric and Power Company's Pittsylvania and Altavista Power Stations are assigned certification numbers **DC-06024-WDS-I** and **DC-06025-WDS-I** respectively.

A TRUE COPY: **BY DIRECTION OF THE COMMISSION:**

CHIEF CLERK **DOROTHY WIDEMAN**
COMMISSION SECRETARY

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[4] *RPS 06-22 and 06-23, In the Matter of the Applications of Virginia Electric and Power Company for Certification of the Pittsylvania and Altavista Power Stations as Renewable Energy Standards Generating Facilities*, Virginia Electric and Power Company's ("Virginia Power") Applications for Certification of the Pittsylvania and Altavista Power Stations as Eligible District of Columbia Renewable Energy Standards Generating Facilities, filed Aug. 18, 2006. Virginia Power filed supplemental information regarding those applications on September 18 and 20, 2006.